

**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT No 2**



A Budget Workshop of the Board of Supervisors of the Village Community Development District No. 2 was held on Monday, May 14, 2012 at 9:30 a.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages Florida, 32162.

Board members present and constituting a quorum:

Ed Nowe	Chairman
Robert Gilmartin	Vice Chairman
Chico Mir	Supervisor
John Blum	Supervisor
Nick Jones	Supervisor

Staff Present:

Janet Tutt	District Manager
Sam Wartinbee	District Property Management Director
Barbara Kays	Budget Director
Jennifer McQueary	District Clerk
Brittany Wilson	Executive Assistant
David Miles	Finance Director

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Nowe called the meeting to order at 9:30 a.m. and stated for the record that all Supervisors were present representing a quorum.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance

SECOND ORDER OF BUSINESS: Public Budget Input

At this time, the Chairman requested any public input pertaining to the Budget process for the Fiscal Year 2012/2013, but received none.

THIRD ORDER OF BUSINESS: FY 12-13 General Fund - Recommended Expenditures

Barbara Kays, Budget Director, reviewed the Form 1 with the Board and highlighted the following line items:

- A 10% increase was included as a placeholder for the Professional Services account as discussed in the preliminary workshop. As the cost allocation methodology is fine tuned during the summer, adjustments to line item will be made.
- The Engineering Services line item has been reduced from \$7,000 to \$2,600 for Fiscal Year 2012/2013. The Legal Service line item is at the same level as the current year.
- A slight increase to the Tax Collector line item has been included as a result of the proposed increase to the maintenance assessments.

Supervisor Jones stated the Board has not yet made a final decision about a maintenance assessment increase. Ms. Kays clarified if the Board proceeded with a 4% increase, there would be an increase in the Tax Collector fees.

- Deed Compliance line item remains at the same level as the current year due to the slight decrease in Deed Restriction complaints.
- A 10% placeholder has been applied to the Technology services line item.
- The Other Professional Services Line Item expenditures decreased; however, the costs associated with Transmap are included in this line item.
- A 3% increase has been budgeted for electricity.

Supervisor Jones requested clarification of the decreased expenditures for the Travel Per Diem line item. Ms. Kays advised these expenditures are related to the annual Florida Association of Special Districts conference, but advised fewer Board Members attended current year than previous.

- The Irrigation Line Item was increased 21% due to the increase in water rates. Sam Wartinbee, District Property Management (DPM) Director, advised the Stage 3 order is due to expire on June 30, 2012.

- A 10% placeholder has been included for the Insurance Line Item. Once the District receives the insurance premiums for the upcoming fiscal year this line item will be adjusted.

Ms. Kays advised the Board a breakdown of accounts has been provided and stated the Capital Projects were reviewed at the Preliminary Budget Workshop.

FOURTH ORDER OF BUSINESS: FY 12-13 General Fund – Recommended Revenues

A. Budget Funding Sources Accounts

Ms. Kays stated at the Preliminary Budget Workshop, Staff was directed to include a 4% increase to maintenance assessment revenues for Fiscal Year 2012/2013 and advised the Board has been provided with a maintenance assessment schedule which clarifies the increase per unit. Additionally, the revenues received from the Sumter County Road Agreement were maintained at the same level; however, Staff is currently in the process of negotiating a new agreement with Sumter County. Ms. Kays advised utilizing the assumption of a 4% increase to maintenance assessment the budget funding sources identify an increase of \$291 to Working Capital; a usage of \$21,070 from General R&R and usage of \$12,543 from the Roads R&R.

FIFTH ORDER OF BUSINESS: General Fund – Working Capital & Reserve Balances

Ms. Kays advised the handouts have been provided outlining the Working Capital and Reserve Balances through Fiscal Year 2015/2016 maintaining level maintenance assessments and a 4% increase to maintenance assessments.

SIXTH ORDER OF BUSINESS: Capital Improvement Plan Funding Summary

Ms. Kays advised a Capital Improvement Plan funding summary has been provided for the Board's review.

SEVENTH ORDER OF BUSINESS: Maintenance Assessment Proposed Rate Direction

Ms. Kays advised during the June 8, 2012 meeting, the Board will approve a proposed budget and establish the maximum maintenance assessment rate. Following approval of the proposed budget

the rate can be decreased but cannot be increased and requested direction from the Board pertaining to the Fiscal Year 2012/2013 maintenance assessment level.

The Board reviewed the additional revenue a maintenance assessment increase would provide and reviewed the line items which could potentially decrease once the cost allocation process was completed.

Supervisor Jones provided his opinion the Board should proceed with the 4% increase for maintenance assessments for Fiscal Year 2012/2013. The Board concurred.

Ms. Kays advised the residents would receive a letter informing them of the proposed increase to maintenance assessments and of the public hearing date in September.

EIGHTH ORDER OF BUSINESS: Debt Service Funds

Ms. Kays advised the revenues for the Debt Service Funds are broken down by the regular debt service assessments and potential prepayment revenues received. Staff has also provided a breakdown of the expenditures for Fiscal Year 2012/2013. Ms. Kays reminded the Board the prepayment revenue amount is an "educated guess", based on the historical data.

Supervisor Mir inquired on the interest rate paid on the debt and inquired if refunding would be an option. Ms. Kays stated the interest rate for the 1996 bond is 7.625% and the 1998 is 5.2%. David Miles, Finance Director, advised District 2 negotiated a change to its bonds in 1996, and due to the agreement entered refinancing cannot occur for the remaining life of the bond issue.

Ms. Kays stated the estimated ending balance for the 1996 bond issue for Fiscal Year 2012/2013 is \$476,838 and \$167,225 for the 1998 assessment bond issue.

NINTH ORDER OF BUSINESS: Supervisor Comments

The Board thanked Staff for the budget information provided.

TENTH ORDER OF BUSINESS: Next Regular Board Meeting: June 8, 2012 at 9:30 a.m.

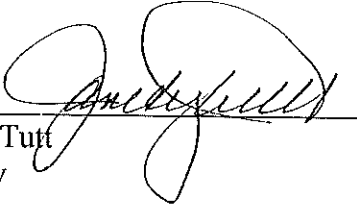
Chairman Nowe advised the next regular Board Meeting is scheduled at June 8, 2012 at 9:30 a.m. at which time the Board will address the Proposed Budget for Fiscal Year 2012/2013.

ELEVENTH ORDER OF BUSINESS: Adjourn

The workshop was adjourned at 10:06 a.m.

On MOTION by John Blum, seconded by Chico Mir, with all in favor, the Board adjourned the Workshop.

Janet Y. Tuft
Secretary



Ed Nowe
Chairman



**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT No. 2**



The Meeting of the Board of Supervisors of the Village Community Development District No. 2 was held on Friday, June 8, 2012 at 9:30 a.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages Florida, 32162.

Board members present and constituting a quorum:

Ed Nowe	Chairman
Bob Gilmartin	Vice Chairman
Chico Mir	Supervisor
John Blum	Supervisor
Nick Jones	Supervisor

Staff Present:

Janet Tutt	District Manager
Diane Tucker	Administrative Operations Manager
Valerie Fuchs	District Counsel
Sam Wartinbee	District Property Management Director
David Miles	Finance Director
Jennifer McQueary	District Clerk
Wade Watson	District Property Management Supervisor
Candice Lovett	Staff Assistant

FIRST ORDER OF BUSINESS:

Call to Order

A. Roll Call

Chairman Nowe called the meeting to order at 9:30 a.m. and stated for the record that all Supervisors were present representing a quorum.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

C. First Time Meeting Attendees

The Board welcomed all those residents in attendance at a Village Community Development District (VCDD) 2 Board Meeting for the first time.

D. Audience Comments

There were no audience comments.

SECOND ORDER OF BUSINESS: **Approval of the Minutes for the Board Meeting held on May 11, 2012**

On MOTION by Nick Jones, seconded by Bob Gilmartin, with all in favor, the Board approved the Minutes for the Board Meeting held on May 11, 2012.

THIRD ORDER OF BUSINESS: **Financial Statements as of May 31, 2012**

David Miles, Finance Director, reviewed the cash analyses prepared May 2, 2012 that shows the District's investable balances as \$2,027,228 which were distributed among Citizens First Bank (CFB, State Board of Administration (SBA), the Florida Municipal Investment Trust (FMIVT) 0-2 and 1-3 year bond fund account and Florida Governmental Investment Trust (FLGIT) funds. Mr. Miles advised the Board that due to the timing of the meetings the Budget to Actual Statements as of May 31, 2012 are not available to provide to the Board at this time. Once the statements have been finalized Staff will forward the information to the Board via e-mail.

Supervisor Jones requested confirmation a transfer of investable funds from the SBA into the FMIVT 1-3 year bond fund was completed to achieve a higher yield and greater liquidity for the Districts. Mr. Miles stated the transfer was completed on May 15, 2012 and overall the Districts anticipate receiving an increase of approximately 100 basis points.

Chairman Nowe requested Mr. Miles provide an explanation of how the District has begun expending funds from one of the Bond Funds for capital expenditures. Mr. Miles stated as provided for in the District's Capital Improvement Plan (CIP) the expenditure of funds from a trust account established following this Board's refunding of the 1996 Bond Series in 2006.

FOURTH ORDER OF BUSINESS: District Property Management Reports

Wade Watson, District Property Management (DPM) Supervisor, provided the Board with an update of the following items:

- Fence replacement around Schwartz Preserve has been completed. The fence boards will be painted once the boards dry.
- Mowing of all preserves will begin the week of June 11, 2012.

At this time Mr. Watson addressed items included on the Old Business Status Update:

The landscaping behind the home located at 2756 Privada Drive was reviewed and stated one of the trees the resident complained was blocking her view of the pond is a wax myrtle which is typically trimmed from the bottom up to provide view; however, because this tree was trimmed incorrectly the District removed the tree. Mr. Watson stated he would not recommend removal of additional trees.

Mr. Watson advised he met with Mr. Sorensen of 2762 Privada Drive, who is adjacent to a lot owned by the District which houses a pumping station and expressed concern over the maintenance condition of the lot. Mr. Watson advised he received a quote to spray the existing weeds, rake the lot and install Bahia turf in the amount of \$1,200. The existing irrigation on the property functions properly. Mr. Watson suggested if the Board were to direct Staff to proceed the installation would be completed in the very near future, while ongoing rainfall is being received.

Janet Tutt, District Manager, advised Staff received a letter from Mrs. Sorensen which thanks the Board for taking the opportunity to review the maintenance condition of the lot located adjacent to 2762 Privada Drive and is hopeful the weeds will be addressed on a more permanent basis.

Sam Wartinbee, DPM Director, suggested if there is any necessary plant material replacement to be completed in the Cul-de-sac which is tied to the irrigation on the lot that it be completed at this time since the irrigation of the new turf can be completed.

<p>On MOTION by Nick Jones, seconded by John Blum, with all in favor, the Board approved the expenditure of \$1,200 for the maintenance installation of Bahia turf for the property adjacent to 2762 Privada Drive.</p>

B. Water Retention Area Status Update

The Water Treatment Report was provided to the Board as information only.

FIFTH ORDER OF BUSINESS:

Adoption of Resolution 12-08 approving the Proposed Budget for Fiscal Year 2012/2013

Barbara Kays, Budget Director, advised as part of the budget process the Board has held two (2) budget workshops to review the fiscal year 2012/2013 budget and stated the proposed operating budget for the District is \$1,001,606 which reflects a decrease of \$117,084 as compared to the current year amended budget and reflects a proposed increase of 4% in the maintenance assessments; however, this amount will be less than maintenance assessments paid by residents in Fiscal Year 2002/2003. The Board chose to include a proposed 4% increase as a proactive approach following review of the District's Capital Improvement Plan (CIP) to provide adequate funding for future repair/replacement projects for roads, fencing and landscaping. Ms. Kays stated Staff will continue to review the cost allocations during the summer months and requested the Board adopt its budget at a Public Hearing held on Friday, September 14, 2012.

Supervisor Jones requested clarification of what piece of property Tract A in Unit 28 is. Mr. Wartinbee stated he believes Tract A is the Santiago Postal Facility.

Supervisor Blum inquired if the District will receive the maintenance assessments for those properties currently in foreclosure. Mr. Miles stated the Districts have never not received the proceeds for the maintenance assessments. If a property owner does not pay their taxes by April 1st the Tax Collector places the property in a Tax Certificate Sale which is held typically in the beginning of June and the proceeds from the sale are remitted to the Districts and other governmental entities. Mr. Miles stated the number of properties within the Districts that are sent to Tax Certificate Sale are very small and the proceeds are received by the Districts in July. A comprehensive report is provided to the District from the Tax Collector in September. Staff responded to the Board's additional inquiries.

On MOTION by Nick Jones, seconded by Bob Gilmartin, the Board adopted Resolution 12-08 approving the Proposed Budget and setting a Public Hearing for September 14, 2012 at 9:30 a.m. to be held in the District Office Board Room to adopt the Fiscal Year 2012/2013 Final Budgets.

Supervisor Jones thanked Staff for providing the maintenance assessment history information provided to the Board. The Board concurred.

**SIXTH ORDER OF BUSINESS: Approval of Revision to Architectural Review Manual,
Section 4.4, page 55**

Diane Tucker, Administrative Operations Manager, advised the Board that the District 1 Board authorized Staff to establish a change in the District's Architectural Manual revising the guidelines for patio villa driveway extensions not to exceed a total of six (6) feet. Staff is presenting this revision to the other District Boards for consideration and is requesting direction.

Chairman Nowe stated as a resident of a patio villa community and in speaking with other residents of the unit the residents are opposed to this change of the Architectural Manual. Chairman Nowe stated he understood the Architectural Review Manual encompasses all Districts and is not sure why this revision is being considered by the District Boards individually. Ms. Tucker clarified the Architectural Review Manual is adopted by each District as part of the District's Rule to Enforce Deed Compliance and advised each District's Architectural Review Manual will contain the policies of this Board. Ms. Tucker stated should the Board decide not to include the revision for the expanded driveways into its manual the revision would not be applied and the Architectural Review Committee (ARC) would continue to utilize the direction provided in the District's existing manual. Chairman Nowe stated the Board was led to believe the Architectural Review Manual encompassed all Districts and requested input from the District's ARC Representative.

Don Simson, Village of Santiago, stated as the ARC Representative for the District he acts according to the standards and matrix approved by this Board; however, as a resident he advised the Board he is opposed to the revision of the Architectural Review Manual which would allow extension of patio villa driveways to six (6) feet. Mr. Simson stated the District 1 Board approved this change to their Architectural Review Manual following two (2) appeals of the ARC being brought before the Board requesting approval after the work had already been completed.

Supervisor Jones stated his concern about the request to approve the extension of driveways in patio villa units to six (6) feet advising this change could alter the consistency of the neighborhoods and provide additional parking for cars in driveways.

Supervisor Blum stated he had the opportunity to speak with many residents who reside within the three (3) patio villa neighborhoods of District 2 and expressed their opposition to the extension of driveways and respects their opinions.

Following further discussion the Board directed Staff not to include the revision of the expansion of driveways not to exceed six (6) feet in the District 2 Architectural Review Manual.

Valerie Fuchs, District Counsel, stated in response to Chairman Nowe's statement that the Board was led to believe that the Architectural Review Manual encompassed all Districts clarified for the record that as a governmental entity, each District adopted its Deed Compliance Rule, deed compliance standards, providing interpretations of the Rule, and the Architectural Review Manual.

SEVENTH ORDER OF BUSINESS: Old Business Status Update

These items were previously addressed.

EIGHTH ORDER OF BUSINESS: Staff Reports

A. Amenity Authority Committee Update

Ms. Tutt stated due to a lack of quorum, the Amenity Authority Committee (AAC) did not hold its June 6, 2012 meeting.

NINTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel reports.

TENTH ORDER OF BUSINESS: Supervisor Comments

Supervisor Blum stated he takes pride in the proposed budget for Fiscal Year 2012/2013 the Board approved.

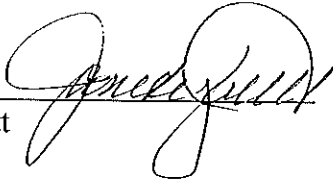
Supervisor Blum stated he believes the Board took the appropriate action directing Staff not to revise the District's Architectural Review Manual to include expansion of patio villa driveways.

ELEVENTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 10:11 a.m.

On MOTION by Nick Jones, seconded by John Blum, with all in favor, the Board adjourned the meeting.

Janet Y. Tutt
Secretary



Ed Nowe
Chairman

